GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:555
ANSWERED ON:18.11.2016
Money Laundering and Tax Havens
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Will the Minister of FINANCE be pleased to state:

(a) the details of the acts in force for money laundering and curbing tax havens along with the cases unearthed violating the provisions of the said acts during the last three years and the current year;

(b) the total amount of money involved in such cases and the number of people found guilty along with the action taken against the offenders; and

(c) the corrective steps taken by the Government to check such practises?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) The prevention of Money-laundering Act, 2002 (PMLA) and the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 are in force to curb money laundering and to specifically deal with black money stashed abroad respectively. Number of cases registered by Enforcement Directorate under PMLA during the last three years and the current year are as under:-

Serial No	Financial Year	Number of Cases
1.	2013-14	137
2.	2014-15	214
3.	2015-16	111
4.	2016-17 (upto October, 2016)	89

(b) As on 31.10.2016, 658 Provisional Attachment Orders have been issued by attaching properties worth Rs.18866 Crores (Approx). Further, 283 Prosecution Complaints have been filed for the offence of Money Laundering.

(c) Besides, effectively enforcing aforesaid Act as mentioned in (a), the Government has taken several effective steps, both by way of policy level initiatives as well as through more effective enforcement action on the ground, to curb the menace of money laundering and curbing tax havens in the country. These steps inter-alia include following:

(i) In a historical move that will add record strength in the fight against corruption, black money, money laundering, terrorism and financing of terrorists as well as counterfeit notes, the Government of India has decided the five hundred and one thousand rupee notes will no longer be legal tender from midnight, 8th November, 2016.

(ii) Constitution of the Special Investigation Team (SIT) on Black Money under the Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court.

(iii) Vide the Finance Act, 2015, Section 132 of the Customs Act, 1962, which deals with offence relating to false declaration/documents in the transaction of any business relating to Customs has been made predicate offence under Prevention of Money-laundering Act, 2002 to curb trade based money laundering. Further, vide the Finance Act, 2015, the definition of "proceeds of crime" under PMLA has been amended. Under the revised definition "proceeds of crime" would also include "where such property is taken or held outside the country, then the property equivalent in value held within the country". This provision will enable action in those cases where "proceeds of crime" is taken or held outside the country and enable action to be taken for attachment of equivalent asset located in the country.

(iv) The offence of wilful attempt to evade any tax, penalty or interest referred to in section 51 of the Black Money (Undisclosed Foreign Income and Assets) and imposition of Tax Act, 2015 has been made a scheduled offence under PMLA.

(v) Insurance Broker and Registrar or Sub-registrar have been notified under PMLA as person carrying on designated business or profession thereby including them under PMLA reporting regime.

(vi) The Foreign Exchange Management Act, 1999 (FEMA) has also been amended vide Finance Act, 2015 to the effect that if any foreign exchange, foreign security of any immovable property situated outside India is held in contravention of the provisions of this Act, then action may be taken for seizure and eventual confiscation of assets of equivalent value situated in India. These contraventions are also being made liable for levy of penalty and prosecution with punishment of imprisonment up to five years.

(vii) The legal regime has been strengthened by amendments in the section 15 of the Unlawful Activities (Prevention) Act, 1967

(UAPA) (effective from 01.02.2013), wherein the damage to the monetary stability of India by way of production or smuggling or circulation of High Quality Fake Indian Paper currency, coin or any other material has been declared as a "terrorist act".

(viii) Benami Transactions (Prohibition) Amendment Act, 2016 has been notified on 10.08.2016 to amend the Benami Transaction (Prohibition) Act, 1988 with a view to, inter-alia, enable confiscation of Benami property and provide for prosecution.